



Hoover and Trump

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In 1929, Herbert Hoover became President and before being President, Hoover's reputation was that of self-made millionaire and brilliant manager. He also served as Secretary of Commerce under the Harding/Coolidge Administration, but to many voters he was the Great Engineer who would bring all of his business expertise to government. While much of Hoover's reputation was that of a conservative, the reality is that Hoover was a progressive Republican. My father once reminded me that much of the New Deal began under him. Hoover's run for President emphasized his business expertise and his managerial skill which was considered incredible including his efforts heading American Relief Administration and his efforts relieve the hunger of more than 200 million people over a period of eight years: 1914 through 1922.

Hoover was a disciple of the Efficiency Movement which sought to eliminate waste throughout the economy and society and this movement played an essential role in the Progressive era in the United States. The theory began that society and government would be better if experts fixed the problem after they identified the problems and Hoover felt comfortable with the Progressive movement. I bring Hoover up since Trump's campaign is similar to the Hoover appeal, businessman who will run government by bringing in the best experts. Trump doesn't talk about "reducing the size and role of government" but talks of managing the present government better.

In her biography, Herbert Hoover: *Forgotten Progressive*, author Joan Hoff Wilson described Hoover's economic thinking, "*The version of Hoover presented in the media's narrative of Hoover as champion of laissez faire bears little resemblance to the details of Hoover's life, the ideas he held, and the policies he adopted as president. Where the classical economists like Adam Smith had argued for uncontrolled competition between independent economic units guided only by the invisible hand of supply and demand, he talked about voluntary national economic planning arising from cooperation between business interests and the government. . . . Instead of negative government action in times of depression, he advocated the expansion of public works, avoidance of wage cuts, increased rather than decreased production—measures that would expand rather than contract purchasing power.*"

Cato Institute scholar Steve Horwitz added, "*Hoover was also a long-time critic of international free trade, and favored increased inheritance taxes, public dams, and, significantly, government regulation of the stock market. This was not the program of a devotee of laissez faire, and he was determined to use the Commerce Department to implement it.*" Trump, like Hoover, opposes international free trade and in the past talked of surtaxes on the rich. The similarity between the progressive Hoover and the Progressive Trump is eerie.

Trump's model of Republicanism will be similar to Hoover and Nixon who proved to be an equal statist as President including creating new bureaucracies like OSHA, EPA and NOAA as well as wage and price controls. Nixon's goal was to make government work for the Middle Class and his supporters – his silent majority.

This brings us to Trump, whose similarity to Hoover includes protectionism and a managerial approach to governing. Hoover, when dealing with the Great Depression, raised taxes to nearly triple the previous marginal rate. He increased government spending and his tariffs which along with the higher taxes led to a spiraling economic descent. He helped turn a recession into the Great Depression.

Richard Nixon's own economic policies along with the paralysis of the Watergate scandal led to the stagflation of the 1970's, which included slow or no growth along with high inflation, by the end of the decade under Jimmy Carter. It wasn't until the Reagan years that the back of inflation was broken. After, we saw more than two decades of economic growth resulting in a rise of income for the Middle Class.

I have detailed Trump's "National Populism" when I wrote, "Trump is not a conservative. The main question is, do we need two leftist parties? Autarky economic policies proposed by Trump will not enhance the lives of those who support him." Hoover's policies turned a recession into a Depression and his policies failed to provide for the average American. At a time when international trade is retrenching, Trump's idea could lead to a recession. Considering that Bernie Sanders' ideas are similar as far as trade is concerned, Trump or Sanders could lead to a fate similar to Hoover's economic fallacies. This is something to think about when nominating the next President.